

**STRATEGIC GOAL THREE***Restore homes and businesses affected by disaster.***LONG-TERM OBJECTIVE 3.1****SBA Agency-Wide Annual Results**

U.S. SMALL BUSINESS ADMINISTRATION <b>Results and Budgetary Resources</b>									
<i>Strategic Goal 3. Restore homes and businesses affected by disaster.</i>									
<i>Long-Term Objective 3.1: Restoration-Help restore homes and businesses affected by disaster.</i>									
<b>SBA Agency-Level Assistance</b>									
SBA Outcome Measures	SBA Annual Outcome Measures								
	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Goal	FY 2004 Actual	FY 2005 Goal	FY 2006 Goal	% Achieved by FY06	FY 03-07 Goal <sup>1</sup>
3.1.1 Percentage of businesses sustaining economic injury that remain operational 6 months after final disbursement. <sup>2</sup>	N/A	N/A	N/A	75.0%	95.0%	76.0%	77.0%	N/A	80.0%
3.1.2 Percentage of businesses sustaining physical damage restored within 6 months after final disbursement. <sup>3</sup>	N/A	N/A	N/A	50.0%	74.0%	55.0%	60.0%	N/A	70.0%
3.1.3 Percentage of homeowners restoring their homes within 6 months of final disbursement. <sup>4</sup>	N/A	N/A	N/A	70.0%	77.0%	73.0%	77.0%	N/A	85.0%
3.1.4 Percentage of renters restored within 6 months after final disbursement. <sup>5</sup>	N/A	N/A	N/A	80.0%	85.0%	82.0%	84.0%	N/A	90.0%
3.1.5 Customer satisfaction rate. <sup>6</sup>	N/A	N/A	N/A	70.0%	67.0%	70.5%	71.0%	N/A	70.0%

<sup>1</sup> For goals and estimates starting after 2003, FY2003-2007 Goal represents data from start year until 2007.

<sup>2</sup> Name changed: Reported in FY03 as "3.1.1 Percentage of small businesses operational 6 months after Economic Injury Disaster Loan (EIDL) disbursement."

<sup>3</sup> Name changed: Reported in FY03 as "3.1.2 Percentage of businesses receiving financial assistance to repair or replace damaged property restored within 6 months of final loan disbursement."

<sup>4</sup> Name changed: Reported in FY03 as "3.1.3 Percentage of individuals receiving financial assistance to repair or replace disaster-damaged homes have restored their property within 6 months of final disbursement (Homeowners).

<sup>5</sup> New outcome measure.

<sup>6</sup> Outcome measure was reported in FY03 under Long term objective 3.2



U.S. SMALL BUSINESS ADMINISTRATION <b>Results and Budgetary Resources</b>									
<i>Strategic Goal 3. Restore homes and businesses affected by disaster.</i> <i>Long-Term Objective 3.1: Restoration-Help restore homes and businesses affected by disaster.</i>									
<b>SBA Agency-Level Assistance</b>									
SBA Output Measures	SBA Annual Output Measures								
	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Goal	FY 2004 Actual	FY 2005 Goal	FY 2006 Goal	% Achieved by FY06	FY 03-07 Goal
Total Applications Processed	158,104	88,837	102,278	N/A	104,518	N/A	N/A	N/A	N/A
Total Receiving Disaster Assistance	48,852	21,829	25,856	N/A	28,510	N/A	N/A	N/A	N/A
SBA Outcomes Cost	SBA Annual Cost								
	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	% Estimate by FY06	FY 03-07 Estimate
Total Disaster Assistance Cost (\$000)	277,074	346,723	270,377	225,896	221,631	216,313	N/A	N/A	N/A

This strategic goal is intended to measure the effectiveness with which the Office of Disaster Assistance (ODA) delivers results from the disaster recovery loans it makes to businesses and homeowners. The SBA works to maintain the nation's economy by restoring the health of the homeowners living in and businesses operating in the economies of areas affected by disaster. SBA's Office of

Disaster Assistance provides low interest loans to those affected by disasters such as the wildfires of California, Hurricane Isabel and tornadoes in several states this year. The Agency makes disaster loans averaging approximately \$1 billion each year and has an active portfolio of about \$4 billion.

**SBA Disaster Assistance Performance and Cost to Achieve Results**

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Results and Budgetary Resources										
Strategic Goal 3. Restore homes and businesses affected by disaster.										
Long-Term Objective 3.1: Restoration-Help restore homes and businesses affected by disaster.										
SBA Program-Level Disaster Assistance										
SBA Programs	Output Measures	Program Annual Output Measures								
		FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Goal	FY 2004 Actual	FY 2005 Goal	FY 2006 Goal	% Achieved by FY06	FY 03-07 Goal
Disaster Assistance	Applications processed <sup>7</sup>	158,104	88,837	102,278	N/A	104,518	N/A	N/A	N/A	N/A
	Number of original loans approved	48,852	21,829	25,856	N/A	28,510	N/A	N/A	N/A	N/A
	Value of loans approved (\$ millions) <sup>8</sup>	1,011	1,338	885	N/A	884	N/A	N/A	N/A	N/A
	Percentage of disasters having field presence within 3 days <sup>9</sup>	100.0%	99.0%	100.0%	95.0%	100.0%	95.0%	N/A	N/A	95.0%
	Percentage of loans with initial disbursements within 5 days of loan closing <sup>10</sup>	N/A	96.0%	98.9%	95.0%	99.0%	95.0%	95.0%	N/A	95.0%
	Time to process 85% of home applications (days) <sup>11</sup>	N/A	N/A	N/A	18	11	16	14	N/A	10
	Time to process 85% of business physicals applications (days) <sup>12</sup>	N/A	N/A	N/A	20	14	19	18	N/A	16

<sup>7</sup> Name changed: Reported in FY03 as "Applications processed or modified."

<sup>8</sup> New performance indicator.

<sup>9</sup> Name changed: Reported in FY03 as "Field presence in 3 days."

<sup>10</sup> Name changed: Reported in FY03 as "Initial disbursement in 5 days (all loans)."

<sup>11</sup> Name changed: Reported in FY03 as "# of days to process 85% of home loan applications."

<sup>12</sup> Name changed: Reported in FY03 as "# of days to process 85% of business loan applications."



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<i>Strategic Goal 3. Restore homes and businesses affected by disaster.</i> <i>Long-Term Objective 3.1: Restoration-Help restore homes and businesses affected by disaster.</i>										
SBA Program-Level Disaster Assistance										
SBA Programs	Output Measures	Program Annual Output Measures								
		FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Goal	FY 2004 Actual	FY 2005 Goal	FY 2006 Goal	% Achieved by FY06	FY 03-07 Goal
Disaster Assistance	Time to process 85% of EIDL applications (days) <sup>13</sup>	N/A	N/A	N/A	20	13	19	18	N/A	16
	Achieve & maintain 100% training of ODA staff as related to hazard mitigation. <sup>14</sup>	N/A	N/A	N/A	100.0%	100.0%	100%	100%	N/A	100.0%
	Percentage of increased disaster loan recipients participation in mitigation over 2003 levels <sup>15</sup>	N/A	N/A	N/A	50.0%	40.0%	70.0%	50.0%	N/A	100.0%
	Total Receiving Disaster Assistance	48,852	21,829	25,856	N/A	28,510	N/A	N/A	N/A	N/A

<sup>13</sup> Name changed: Reported in FY03 as "# of days to process 85% of EIDL loans applications."

<sup>14</sup> Name changed: Reported in FY03 as "Mitigation training."

<sup>15</sup> Name changed: Reported in FY03 as "Increase participation in mitigation."

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SBA Program-Level Disaster Assistance									
SBA Program Outcomes	Program Annual Outcome Measures								
	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Goal	FY 2004 Actual	FY 2005 Goal	FY 2006 Goal	% Achieved by FY06	FY 03–07 Goal
3.1.1 Percentage of businesses sustaining economic injury that remain operational 6 months after final disbursement. <sup>16</sup>									
Disaster Assistance	N/A	N/A	N/A	75.0%	95.0%	76.0%	77.0%	N/A	80.0%
3.1.2 Percentage of businesses sustaining physical damage restored within 6 months after final disbursement. <sup>17</sup>									
Disaster Assistance	N/A	N/A	N/A	50.0%	74.0%	55.0%	60.0%	N/A	70.0%
3.1.3 Percentage of homeowners restoring their homes within 6 months of final disbursement. <sup>18</sup>									
Disaster Assistance	N/A	N/A	N/A	70.0%	77.0%	73.0%	77.0%	N/A	85.0%
3.1.4 Percentage of renters restored within 6 months after final disbursement. <sup>19</sup>									
Disaster Assistance	N/A	N/A	N/A	80.0%	85.0%	82.0%	84.0%	N/A	90.0%
3.1.5 Customer satisfaction rate. <sup>20</sup>									
Disaster Assistance	N/A	N/A	N/A	70.0%	67.0%	70.5%	71.0%	N/A	70.0%

<sup>16</sup> Name changed: Reported in FY03 as "3.1.1 Percentage of small businesses operational 6 months after Economic Injury Disaster Loan (EIDL) disbursement."

<sup>17</sup> Name changed: Reported in FY03 as "3.1.2 Percentage of businesses receiving financial assistance to repair or replace damaged property restored within 6 months of final loan disbursement."

<sup>18</sup> Name changed: Reported in FY03 as "3.1.3 Percentage of individuals receiving financial assistance to repair or replace disaster-damaged homes have restored their property within 6 months of final disbursement (Homeowners)."

<sup>19</sup> New outcome measure.

<sup>20</sup> Outcome measure was reported in FY03 under Long-Term Objective 3.2.



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Strategic Goal 3. Restore homes and businesses affected by disaster.										
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SBA Program-Level Disaster Assistance										
SBA Programs	Cost Measures	Program Annual Cost								
		FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	% Estimate by FY06	FY 03-07 Estimate
Disaster Assistance	Total Program Cost (\$000)	277,074	346,723	270,377	225,896	216,313	239,191	N/A	N/A	N/A
	Disaster Loan Making (\$000)	240,794	311,424	236,640	201,113	190,829	211,342	N/A	N/A	N/A
	Administrative Cost (\$000)	88,190	94,369	118,345	107,606	112,244	105,602	N/A	N/A	N/A
	Subsidy Cost (\$000)	152,604	217,055	118,295	93,507	78,585	105,740	N/A	N/A	N/A
	Cost per Application Processed (\$)	1,523	3,506	2,314	N/A	1,826	N/A	N/A	N/A	N/A
	Cost Per Loan Approved (\$)	4,929	14,267	9,152	N/A	6,693	N/A	N/A	N/A	N/A
	Disaster Loan Servicing (\$000)	36,280	35,299	33,737	24,783	25,484	27,849	N/A	N/A	N/A
	Administrative Cost (\$000)	29,019	26,495	31,093	23,480	24,649	27,849	N/A	N/A	N/A
	Asset Sales Administrative Cost (\$000)	7,261	8,801	2,644	1,303	835	0	N/A	N/A	N/A
	Cost per Loan Serviced (\$)	163	224	332	N/A	249	N/A	N/A	N/A	N/A

SBA achieved important outcome goals relating to recovery services provided by its Office of Disaster Assistance (ODA) during FY2004 (estimated). While the goal was to have 75% of small businesses receiving Economic Injury Disaster Loans (EIDLs) operational 6 months after final disbursement, the results to date are 95%. With a goal of having 50% of businesses receiving financial assistance to repair or replace disaster-damaged property being restored within 6 months of final disbursement, the results reached 74%. With a goal of having 70% of individuals receiving financial assistance to repair or replace disaster-damaged property having restored their homes within 6 months of final disbursement, the achievement was 77%. With a goal of having 80% of renters restoring their damaged property within 6 months after final disbursement, the achievement was 85%.

In support of these results, SBA met the following levels of program output, as compared to its goals: 99% of loan disbursements were made within 5 days of receipt of required loan closing documents, exceeding the goal of 95%; Field Presence was achieved within 3 days 100% of the time; 98% of EIDL loans were processed within 20 days, exceeding the goal of 85%; 99% of business physical loans were processed within 20 days, exceeding the goal of 85%; 99% of home physical loans were processed within 18 days, exceeding the goal of 85%; 100% of all relevant staff were given mitigation training, achieving the set goal; and there was a 16% increase over FY2003 levels in the amount of participation in mitigation, falling short of the goal.

During FY2004, the Office of Disaster Assistance achieved a customer satisfaction rating of 67%, as compared to its goal for the year of 70%. It is important to note that even though ODA missed its customer satisfaction goal by 3 percentage points, it achieved a significant 8 percentage points improvement over the previous fiscal year.

### **Goals Exceeded**

The SBA exceeded by 12% its goal to process 85% of received home loans applications in 18 days; it exceeded

by 10 percentage points its goal to process 85% of applications received from business sustaining physical damage in 20 days; it exceeded by 10 percentage points its goal to process 85% of applications received from business sustaining economic injury in 20 days; and it exceeded by 20 percentage points its goal of the percentage of businesses sustaining economic injury that remain operational 6 months after final disbursement.

A large part of the reason that each of these goals was exceeded is that the level of disaster activity for most of FY2004 was unusually low. Because of the recent hurricane disaster activity in Florida and surrounding states, SBA anticipates a very high level of volume for FY2005 that will severely test the Agency's ability to meet the stated goals. Accordingly, the annual and long-term goals are considered appropriate and should not be changed.

This is the same reason for exceeding the goal for the percentage of businesses sustaining physical injury that remain operational 6 months after final disbursement, and the goal for the percentage of homeowners restoring their homes within 6 months after final disbursement.

### **Goals Not Met**

The SBA missed its goal of 50% of increased disaster loan recipients' participation in mitigation over FY2003 levels. This is the first year for this very ambitious goal, which was missed by 20 percentage points. During FY2004, the SBA focused on developing a National training and marketing plan to increase borrower participation in hazard mitigation. A task force was formed, training and marketing plans were developed, and implementation of these plans took place in late May-early June of this fiscal year. The results of these training and marketing plans were in place for only 4 months, but showed very positive results. With the new training and marketing plans fully implemented for the full 2005 fiscal year, SBA believes the goals are attainable and reasonable. Neither the annual nor long-term goals should be adjusted.